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MEMORANDUM FOR:

Deputy Director, Intelligence

SUBJECT:

Possible Imminent Attack on

Quemoy Islands

During the early afternoon of 3 September, an estimated 60 Chinese Communist 120mm guns opened heavy fire on the northeast, north and west sectors of Quemoy (Chinmen), the larger of two Nationalist-held islands in Amoy harbor directly west of Formosa. Barrages were also laid down on Little Quemoy and on Nationalist naval vessels in the area. Heavy firing continued for at least three hours, although by the evening of 3 September it was reported to be diminishing. Two persons (presumably Americans) of the American military advisory group are reported killed, and arrangements are being made to evacuate 16 other Americans by air.

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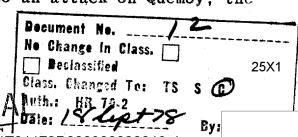
Since early July, and particularly in recent days, Chinese Communist propaganda has been threatening to "liberate" the offshore islands as well as Formosa. Although certain individual reports have not been confirmed, the possibility of an early Chinese Communist attack on Quemoy has been noted for some days.

It has been estimated that a successful Chinese Communist attack on Quemoy would require about 150,000 troops (three armies), although the Communists themselves might estimate that fewer would do. There are three Communist armies known to be located within 150 miles of Quemoy--one each at Foochow, Swatow and Amoy, and the reported movement of additional troops would enable the Communists easily to assemble the necessary forces from these units.

Chinese Communist air units as presently disposed could not provide effective air support to an attack on Quemoy; the

PACOM review(s) completed.

NAVY review completed.



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nearest units are based in the Shanghai area to the north, at Canton in the south, and at Nanchang to the west. There are as yet no indications that a movement of air units to points nearer Quemoy is taking place, but this could be done with little warning.

Chinese Communist naval strength in the Amoy area is negligible, amounting to a few small patrol vessels. Large numbers of junks and fishing vessels, however, provide an undetermined capability for amphibious lift.

Chinese Nationalist strength on Quemoy, the most heavily-defended island outpost, amounts to about 43,000 regular troops-three divisions plus units from a fourth--and perhaps 11,000 guerrillas. The regular forces are American-trained-and-newly-equipped and have arrived on the island only since May.

In the absence of direct intervention by Communist air power, Nationalist air units based on Formosa could be expected to provide both fighter and bomber support for Nationalist defenders on Quemoy. Nationalist destroyers and destroyers escorts could provide supporting fire against landing attempts, although they would face heavy opposition from shore batteries.

A Chinese Nationalist spokesman stated last week that the Nationalists are determined to defend the major offshore islands "come what may." The Nationalists, in a determined defense, would be able to inflict heavy losses on Communist forces, as they did in 1949 when a Communist assault with 10,000 troops was repelled with an estimated 4,000 Communist casualties. The morale of the Nationalist forces now on Quemoy is believed to be good, but it might be greatly reduced by an evacuation of American advisers and by indications that air and naval support from Formosa might be ineffective.

American naval observers report that a Chinese Communist assault on Quemoy will take place at dawn on 4 September (the late afternoon of 3 September, Washington time). This may well be correct. On the other hand, recent Communist troop movements, propaganda and the artillery fire of 3 September could all be parts of a large-scale probing action aimed at determining both Nationalist and American intentions.

It is doubtful that a Communist assault on Quemoy, should it materialize, would presage an early assault on Formosa. Capture of Quemoy might involve heavy casualties, and the Communists would be expected to bypass these islands and

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conserve their forces if they planned to attack Formosa in the near future.

The current Communist action against Quemoy, whether it is confined to a probing operation or becomes an all-out assault, appears to be aimed psychologically at Formosa. The Communists may calculate that capture of Quemoy would have a highly unfavorable effect on Nationalist morale on Formosa and would make the Nationalists much more vulnerable to current Communist propaganda aimed at securing their defection.

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